

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of MidAmerican Long Distance  
Company Changing MTS Rates, Changing Its  
Pricing Plans, and Eliminating Geographical  
Deaveraging

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ORDER APPROVING RATES

PROCEDURAL HISTORY

MidAmerican Long Distance Company (MidAmerican or the Company) is authorized to provide long distance telecommunication service in Minnesota. Minn. Stat. § 237.07 (1986) requires every telephone company operating within this state to file a schedule of its rates with the Minnesota Department of Public Service (DPS).

On October 1, 1986, the Company filed with the DPS an updated tariff which added several new pricing plans. During its investigation of that tariff book, the DPS discovered that it contained outdated rates. On December 15, 1987, the DPS requested that the Company submit a current tariff. MidAmerican filed a new tariff book with the DPS on January 26, 1988.

The new tariff book redesigns the Company's rates and eliminates geographical deaveraging. The Company continues to offer all services that it formerly offered, but with new pricing plans. The Company also proposes to offer three new services: Respondability 800 Service, Excel, and Travel Service. The Company also has discontinued two pricing plans: Intrastate Equal Access Outward Wide Area Telecommunications Service and All America Service. All of these services and changes are described in the Department's Report of Investigation and Recommendation, dated March 23, 1988.

The Department recommended that the Commission approve the Company's revised rates and rate structures.

## FINDINGS AND CONCLUSIONS

The issues before the Commission are whether to consider the Company's filing of its tariff book on January 26, 1988 as a petition for a rate change under Minn. Stat. Chap. 237 and, if so, whether those revised rates and rate structures result in fair and reasonable rates under Minn. Stat. §237.06.

The Commission finds that this matter raises a number of concerns. Minn. Stat. §237.07 (1986) states:

It shall be the duty of every telephone company to file with the department a schedule of its exchange rates, tolls, and charges for every kind of service, together with all rules and classifications used by it in the conduct of telephone business, all of which shall be kept on file by the department subject to public inspection. The department shall require each telephone company to keep open for public inspection at designated offices, so much of these schedules and rules as it deems necessary for the public information.

It is clear to the Commission that the Company's tariff book which was filed on October 1, 1986 became outdated some time before the new tariff book was filed in January, 1988. It is also troublesome that the new tariff book was filed only after Department inquiries regarding the October, 1986 tariff book had developed.

The Commission recognizes that the purpose of the statute quoted above is to ensure that the public as consumers of telephone services has access to accurate information on the services offered by a company and the rates charged for those services. Further, the statute ensures that the Commission can perform its duty to ensure rates are just and reasonable and non-discriminatory. In this matter neither of those statutory goals were met.

Recent changes in telephone regulation allow a company to change its rates through a simpler and quicker process than was required in the past, but they do not supplant the duty of the Commission to give rates continued scrutiny. Minn. Stat. §237.075 (1986), Minn. Stat. §237.53 through 237.68 (Supp. 1987), and the Commission's Order in In the Matter of a Consolidated Proceeding to Investigate the Provision of Intrastate Intercity Telecommunications Services Within the State of Minnesota, Docket No. P-442, P-443, P-444, P-421, P-433/NA-84-212 (October 15, 1985) all set forth procedures for a Company to use to change its rates. These procedures vary, providing a notice period of from twenty to sixty days before proposed rates may be implemented by companies, or providing a contested case hearing, an investigation or an expedited proceeding before they are implemented as proposed or as modified by the Commission.

The Commission finds that it must be apprised of telephone company filings made with the Department that change rates and services so that it may take action on those filings before they can be implemented within the time frames established by Minn. Stat. Chap. 237. Whether through the filing practices of the Company or the delay of the Department, the Commission did not receive timely notice of these tariff changes. However, the Commission believes that the rates which are

now in effect must be reviewed. If it becomes necessary, the Commission is authorized by statute to take action to investigate them and modify their application.

Therefore, the Commission finds that it is reasonable to deem the tariff book received from the Company on January 26, 1988 as a notice of a change in rates under Minn. Stat. Chap. 237.

In reviewing the actual rates and rate structures contained in the January filing, the Commission finds that the effects of the changes made by the Company are lower rates, more pricing plan options and three new service offerings. Further, the Commission finds that the elimination of Intrastate Equal Access Outward Wide Area Telecommunications Service and Call America Service do not appear to have any negative impact on consumers, as the new services and pricing plans offer more attractive choices to ratepayers. The Commission concludes that it will approve MidAmerican's revised rates and rate structures because they result in fair and reasonable rates as required by Minn. Stat. §237.06 (1986).

### ORDER

1. The Commission hereby approves MidAmerican's revised rates and rate structures as contained in its tariff book filed on January 26, 1988.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen  
Executive Secretary

(S E A L)